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WESTERN DISTRICT OF WASHINGTON

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NEWS RELEASE

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Bankruptcy Filings Decline in 2006

Bankruptcy cases filed in Western Washington tumbled 76 percent for the calendar year ending December 31, 2006, falling to the lowest number recorded since before 1985. Bankruptcy cases totaled 8,459 according to data released today by the Office of the Clerk. The large decline in filings in 2006 followed a surge in filings in 2005 and was due to changes in the bankruptcy laws which took effect on October 17, 2005, the implementation date of the Bankruptcy Abuse Prevention and Consumer Protection Act.

Business and Non-Business Filings

Business filings in CY 2006 totaled 282, down 44.2 percent from the 505 cases filed in CY 2005. Non-business or personal bankruptcies declined 76.6 percent, totaling 8,177 in CY 2006.

Business and Non-Business Filings

Years Ended December 31, 2002-2006

<u>CY</u>	Business	Non-Business	<u>TOTAL</u>
2006	282	8,177	8,459
2005	505	34,855	35,360
2004	430	28,529	28,959
2003	479	29,604	30,083

Filings Under Chapters 7, 11, 12, 13 and 15

In CY 2006, filings under Chapters 7, 11, 12 and 13 of the Bankruptcy Code, fell. One case was filed under Chapter 15, which is the same number filed in CY 2005.

- Chapter 7 is designed to allow individuals to keep certain exempt property while the remaining property is sold to repay creditors. Chapter 7 filings in CY 2006 totaled 5,791, down 80.8 percent from CY 2005 totals.
- Chapter 11 filings totaled 83 in CY
 2006, down 20.2 percent from the 104
 Chapter 11 bankruptcies filed in CY

Bankruptcy Filings by Chapter of the Bankruptcy Code Years Ended December 31, 2002-2006 Chapter Year <u>7</u> 11 <u>12</u> <u>13</u> <u>15</u> 2006 5,791 83 3 2,581 1 2005 30,165 5 5,085 104 1

107

152

182

0

0

2

5,450

5,533

5,299

2005. This is the fewest number of chapter 11 cases filed in Western Washington since before 1980. Chapter11 provides for a business to continue operations while formulating a plan to repay its creditors.

2004

2003

2002

23,402

24,398

23,397

- Under Chapter 13 bankruptcy, creditors may be repaid in installments, in full or in part, over a 3-5 year period. Filings under Chapter 13 in CY 2006 fell 49.2 percent from 5,085 filings in CY 2005 to 2,581 in CY 2006.
- Chapter 12 is designed to meet the needs of financially distressed family farmers. Historically, there have been very few Chapter 12 cases filed in Western Washington. There were 3 Chapter 12 cases filed in CY 2006, two fewer than were filed in CY 2005.
- Chapter 15 is a relatively new chapter of the Bankruptcy Code and was enacted as part of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. It replaces former section 304, which previously governed the procedure for cases filed ancillary to foreign proceedings.

The Western Washington bankruptcy court ranks among the top 15 largest in the country (of 94 bankruptcy courts) as measured by total annual filings. The court employs five full-time judges and about 90 support staff.

For more information on bankruptcy, or for information on how to access images of case documents via the Internet please visit the courts website at www.wawb.uscourts.gov
A breakdown of ten years of data on bankruptcy filings in Western Washington follows.

Annual Bankruptcy Filings by Chapter Years Ended December 31, 1997-2006

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Chapter 7	21,005	21,006	18,864	17,665	21,850	23,397	24,398	23,402	30,165	5,791
Chapter 11	265	189	159	172	157	182	152	107	104	83
Chapter 12	5	4	0	6	1	2	0	0	5	3
Chapter 13	5,032	4,371	4,806	4,922	4,979	5,299	5,533	5,450	5,085	2,581
Chapter 15 TOTAL	26,307	25,570	23,829	22,765	26,987	28,880	30,083	28,959	1 35,360	1 8,459

Business and Non-Business Filings Years Ended December 31, 1997-2006

<u>Year</u>	<u>Business</u>	Non-Business	<u>Year</u>	Business	Non-Business
	<u>Filings</u>	<u>Filings</u>		<u>Filings</u>	<u>Filings</u>
2006	282	8,177	2001	311	26,676
2005	505	34,855	2000	320	22,445
2004	430	28,529	1999	312	23,517
2003	479	29,604	1998	537	25,033
2002	459	28,421	1997	866	25,441